

**Minutes of a Meeting of the Pharmaceutical Services Negotiating Committee**  
**held at CIWEM, 106-109 Saffron Hill, London, EC1N 8QS**  
**on Thursday 7th February 2019**

**Present:** Anil Sharma, Clare Kerr, Prakash Patel, Janice Perkins, Fin McCaul, Richard Bradley, David Broome, Mark Burdon, Peter Cattee, Ian Cubbin, Marc Donovan, Mark Griffiths, Alice Hare, Jas Heer, Tricia Kennerley, Sunil Kochhar, Andrew Lane, Margaret MacRury, Has Modi, Lucy Morton-Channon, Garry Myers, Bharat Patel, Indrajit Patel, Umesh Patel, Jay Patel, Adrian Price, Sian Retallick, Stephen Thomas, Faisal Tuddy, Gary Warner, Sir Mike Pitt (Chair)

**In Attendance:** Simon Dukes, Alastair Buxton, Jack Cresswell, Mike Dent, Gordon Hockey, Mike King, Zoe Long, Suraj Shah, Rosie Taylor, Jack Cresswell, Millie Withers, Gabriele Skieriute, Komal George

Item 1 – Welcome from Chair

1.1 The Chair welcomed everyone to the meeting.

Item 2 – Apologies for absence

2.1. Apologies of absence were received from Sam Fisher.

Item 3 – Conflicts or declaration of interest

3.1. No new conflicts of interest were declared.

Item 4 – Minutes of the October and November meetings

4.1 The minutes of the committee meeting on 10th October 2018 and the minutes of the committee meeting on 13th and 14th November 2018 were agreed.

Item 5 – Action list from October and November meetings

5.1 The action list from the October and November meetings was noted.

Item 6 – Matters arising

6.1 There were no matters arising.

Item 7 – Chair's Report and Chief Executive's Report

7.1 The Chair talked about a recently published letter in The Times organised by the Association of Directors of Public Health (ADPH) and co-signed by 54 health leaders calling for public health to be a priority in the spending review (the full text of the letter can be

read on the [ADPH website](#)) and noted that the speaker today, Julie Wood, the Chief Executive of NHS Clinical Commissioners, was one of the signatories of the letter.

- 7.2 The Chair also paid tribute to the office; there has been an enormous outpouring of work on the Long Term Plan, Quality Payments, Brexit and price concessions, and he felt it was important to note the hard work.
- 7.3 The CEO spoke briefly, introducing the day ahead and asked for feedback on the new format of the meetings, what the committee would like to see more of, less of, etc. Highlighting the importance of this now the main committee is only meeting four times a year, the CEO reinforced that it was important that the committee did not feel they were losing contact and reemphasised that things can be reviewed and changed in the future.

**Action 1: Provide feedback to the CEO on the new format of meetings (Committee).**

- 7.4 The CEO spoke about the huge impact that Brexit is having and highlighted the work of the Brexit forum (which PSNC set up) involving the Chief Executives of the major representative bodies involved in community pharmacy and the medicines supply chain including the Department of Health and Social Care. This was highlighted as a great example of leadership in the sector.
- 7.5 The CEO highlighted that there are difficult challenges ahead and that it is important that the PSNC team and the committee are as cohesive as possible as part of the national leadership of community pharmacy. The PSNC exec will be looking for more help and support to get the key messages out to contractors. It will be a challenging year and there will be more expected from the team at PSNC and the committee.
- 7.6 The CEO also talked about the CEOs of the trade bodies working together and that they were having regular round table meetings with NHS England to talk about the Long Term Plan and the delivery of this. The CEO stressed these meetings were not about negotiation, as that is the role of PSNC, but that they were about the delivery of the Plan as that can only be achieved if we work together. Working groups are planned for the near future on several topics; input from PSNC is critical for those discussions.
- 7.7 The CEO was hopeful that there may be a negotiating mandate by the end of March 2019, with negotiations starting in April 2019 but he advised that this had not been confirmed.
- 7.8 The CEO highlighted the new five-year framework for GP contract reform and that he felt it was important for community pharmacy to also have a multi-year contractual negotiation. It was felt that this is essential for transformation which is not possible on a year-by-year basis and that Ministers were open to this. The CEO also spoke about the need to have interim arrangements in place from 1st April 2019 if negotiations do not start until April and that he was waiting to see what that looked like.
- 7.9 The CEO advised that the committee should be optimistic and that the GP contract reform has given a vote of confidence in the pharmacy profession as well. Clinical pharmacists employed by community pharmacies is absolutely an option on the table for general practice and PCNs to consider to help them fulfil the requirements set. Extension of the

DMIRS to allow referrals from GP practices is positive and will be a test to see how this works. The CEO also advised that the committee should not fear the comment about efficiencies in the Long Term Plan; this is about freeing up clinical space to allow pharmacists and their teams more time to spend with patients and provide a fantastic service.

#### Item 8 – Brexit

- 8.1 Gordon Hockey provided an overview of the PSNC Brexit workstreams, the main aspects of DHSC contingency planning, information on DHSC's Operational Readiness Guidance and PSNC guidance on key actions for contractors, Serious Shortage Protocols, DHSC pharmacist staffing needs and contingency planning for medical devices.
- 8.2 The committee held group discussions on the implementation issues associated with Serious Shortage Protocols and in these discussions and in open session, the committee provided the comments set out in the attached confidential annex on Brexit discussions.
- 8.3 Committee members were asked to notify Gordon Hockey if they identified any additional operational readiness issues for contractors (in addition to those in the slides) or additional issues in relation to medical devices. There was brief discussion of how contractors could support DHSC to find additional pharmacists for its no-deal Brexit work and it was considered to be a matter of assessing the detail of DHSC requests at the relevant time.
- 8.4 Zoe Long outlined the following issues in relation to Brexit planning – public messaging, briefing the press, and the PSNC support already offered to contractors.
- 8.5 The Committee was supportive of the messaging and support available and suggested the following be considered to help ensure pharmacies are informed rapidly of relevant information on SSPs:
  - The creation of a micro-website, specifically on SSPs, hosted by PSNC
  - Push alerts to let people know the latest updates – these could be via PSNC emails and social media channels
  - The possibility of using the PharmOutcomes alert system
  - Use of PMR systems alert functions
- 8.6 The Committee considered the potential communications risks associated with SSPs and suggested that NHS branded briefing documents to explain the process to patients might be helpful.

#### **Action 2: Gordon Hockey and Zoe Long to action as agreed by the Committee**

#### Item 9 – Long Term Plan

- 9.1 Alastair Buxton provided an overview of the Long Term Plan, the NHS Operational and Contracting Guidance and the five-year framework for general practice reform. The

Committee held group discussions on the important issues to address in these documents and what actions need to be taken.

**Action 3: Summarise the feedback and actions from these discussions and circulate to the committee (Alastair Buxton).**

Item 10 – Guest speaker - Julie Wood, CEO NHS Clinical Commissioners

- 10.1 Julie Wood presented on the current health landscape and took questions from the committee.

Item 11 – General Funding – Presentation

- 11.1 Mike Dent gave a presentation on the general funding situation.
- 11.2 Mike Dent explained that we have not seen the drop in item volumes that might be expected, given what we know about various ongoing NHS deprescribing initiatives. There may be a Brexit effect which is cancelling out the deprescribing push, i.e. due to patients seeking to try and stockpile medicines, seeking extra prescriptions from prescribers, etc.
- 11.3 Mike Dent gave an update on the latest on VAT for the SAF / QPS / PhAS. We are still pressing HMRC on this issue; their latest response was that we should speak with DHSC which is highly irregular as VAT issues are the concern of HMRC. DHSC's position is that both SAF and PhAS should have VAT apportioned, but that QPS should be exempt from VAT. We are trying to get more meetings on this with DHSC and HMRC.
- 11.4 Mike Dent gave an update on price concessions / medicine shortages. This is obviously a topic of major angst amongst contractors and Mike has been giving lots of talks to LPCs all around the country on this issue. Some letters which have been sent by PSNC to the DHSC were included in the FunCon agenda papers.
- 11.5 Our analysis of independent pharmacy invoices from the margins survey has shown that for the most part DHSC have been setting correct prices. There have been a couple of occasions where DHSC have agreed to go back and review prices which they have imposed. Overall it looks like independent pharmacies have made a small margin on concession lines (but not on every line and not every contractor).
- 11.6 The margin study includes a full census of the impact of concession lines, the problem is it is quite lagged. We are working with DHSC to explore ways that we can speed up the margin survey process. Generally, we hold a concern that the system as it is will not stand up under a no-deal Brexit situation. DHSC are confident because of the 6-week stockpile and feel that we will be able to deal with any issues that arise with the current system.
- 11.7 Indrajit Patel asked if the reductions in prescribing of OTC products were being seen in volumes data. Mike replied that the data so far is not showing any decline in item volumes.

- 11.8 Garry Myers suggested that there has been some evidence of patients stockpiling, but so far major panic has been avoided. If the situation resolves without any major problems then the extra medicines patients have been keeping could mean a sudden reduction in volumes as the system resets.
- 11.11 Mike Dent explained that Steve Brine has clarified what the Government means by efficiency (i.e. in the Long Term Plan / PQs). It refers to the measures which were included in the 'Community pharmacy in 2016/17 and beyond - Final Package' document such as changes to non-Part VIII products, changes to Category M, changes to the Margin Survey to account for multiples margin and margin on Category C products, splitting the discount scale etc.
- 11.12 Mike gave an update on the latest margin positions to the committee.
- 11.13 Mike Dent explained the latest situation regarding EPS. We have been seeking some financial compensation or offset due to the issues contractors experienced during implementation of EPS, due to items having the wrong exemption status and also due to items expiring from the system without being paid.
- 11.14 Mike gave an explanation of the discussions we have been having with DHSC regarding Category C margins.
- 11.15 The committee was asked to hold group discussions around their tables and provide feedback on the topics of:
- NHS England's proposal for EPS, with our caveats;
  - Our position on Category C; and
  - Our position on the April DT.

**Action 4: Summarise the feedback and actions from these discussions and circulate to the committee (Mike Dent).**

#### Item 12 Re-shaping the sector

12.1 Mike Dent gave an overview of the subject and the committee held discussions to establish the degree of involvement required by PSNC and the key principles of any solution.

**Action 5: Summarise the feedback and actions from these discussions and circulate to the committee (Mike Dent).**

### **Report**

#### Item 13 – Resource Development & Finance subcommittee report

- 13.1 Mark Burdon made four recommendations to PSNC which were:
1. Approve PDS governance proposals;
  2. Approve Landau Morley as auditors for 2018/19;

3. Approve the budget (p38 in the agenda papers);
4. Approve a 0% levy increase.

13.2 All four recommendations were approved.

Item 14 - Legislation and Regulatory Affairs subcommittee report

14.1 The chairman of LRA reported to PSNC that the subcommittee had had significant discussions on Brexit, which had subsequently been discussed in plenary.

Item 15 – LPC and Contractor Support subcommittee report

15.1 Fin McCaul reported that work on provider companies was progressing and there would be an update to the national meeting of LPCs in March.

15.2 A risk was highlighted around the number of pharmacies who have not passed the WES gateway criteria. There are approx. 2000 pharmacies at risk.

15.2 It was reported that PSNC had received clearance on the tax exemption day rates for PSNC and LPC members.

Item 16 – Funding & Contract subcommittee report

16.1 Peter Cattee advised PSNC to look through the papers and specifically the proposed joint letter with GPC and DDA. It was recommended that approval be given to take this forward; this was approved by PSNC.

Item 17 – Service Development subcommittee report

17.1 Alastair Buxton proposed two recommendations which agreed:

1. Approve the principles which were considered by the subcommittee to inform the future development of the Quality Payments Scheme; and
2. Approve the removal of the requirement in the flu service to ask patients to complete a patient safety questionnaire (but to retain a mechanism for the voluntary collection of this information).

Item 18 – Communications and Public Affairs subcommittee report

18.1 Tricia Kennerley gave an update on the inaugural meeting of the subcommittee. The committee agreed the remit and workplan.

18.2 Tricia Kennerley noted that there is a need to identify pharmacists and contractors who are willing to undertake media work on behalf of the sector.

**Action 6: Identify any pharmacists or contractors who may be suitable to undertake media work to Zoe Long (Committee).**

- 18.3 Tricia Kennerley asked the Committee to give feedback on any issues that PSNC should be talking to MPs about, beyond the NHS Long Term Plan and Brexit related issues.

**Action 7: Provide feedback on any further issues PSNC should be discussing with MPs to Zoe Long (Committee).**

Item 19 – Reminder of Confidentiality

- 19.1 The office will write to the committee with information they need for their LPCs and contractors.

Item 20 – Any Other Business

- 20.1 None.

## Summary of group discussions on Item 9 – Long Term Plan

### **1. What are the important issues to address in the LTP, planning guidance and GP contract framework? Are the points in the agenda paper correct and are there other points to add?**

- Ensure community pharmacy is influencing at system level, as well as at place and neighbourhood. This is particularly important in relation to the development of STP primary care strategies;
- Risk of losing community pharmacist workforce to clinical pharmacist roles in PCNs;
- There will need to be a behavioural change as contractors are not used to working together - a collaborative mindset will need to be engendered.

### **2. What actions do we need to take? (some actions could be undertaken by other bodies)**

- Need to segment work between national (largely driven by the negotiating mandate) and local;
- Provide guidance and support to help LPCs to engage with PCNs and communicate the importance of PCNs to contractors;
- Provide guidance and support to help LPCs to influence at system level;
- Need to examine the practicalities and economics of clinical pharmacists being employed to work in PCNs by pharmacy contractors or pharmacy provider companies. This could support portfolio working of pharmacists across general practices and community pharmacy, which would also support the development of relationships between the two professions. Additionally, need to understand the accessibility of the 18-month training course in this scenario;
- Work is needed to optimise the design of DMIRS and NUMSAS;
- Input into the Green Paper on public health;
- Seek to develop national specifications for locally commissioned services or other relevant support with NHS England;
- More consideration needs to be given to workforce planning and wider use of skill mix in community pharmacies. Also, the training of more community pharmacists as IPs;
- Need to ensure community pharmacy is seen to be playing its part in population health initiatives, including being ready to participate in work on health inequalities which will be commissioned from PCNs via the network contract;
- Support LPCs to review their structure and size in relation to the changing NHS at system, place and neighbourhood level. This may involve a move to larger LPCs, with increased headcount, particularly to support more local engagement with contractors, PCNs and commissioners. A similar review of the coverage and size of provider companies is also required.